

# CONTROLLER STEVE WESTLY

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## State Controller Calls for Independent Audit of Wal-Mart Corp. Business Practices

**SACRAMENTO** – State Controller Steve Westly today called for an immediate audit of the Wal-Mart Corp., asking the retail giant to address serious accusations regarding exploitation of workers, sexual discrimination complaints, and child labor laws.

“I’m asking Wal-Mart to live up to its public relations image by establishing a special committee of independent directors to conduct a comprehensive review of the company’s legal and regulatory controls,” Controller Westly said. “It is my responsibility as a voting member of CalPERS and CalSTRS to protect our investments. I am alarmed that this retail giant continues along a path that is affecting the company’s image and shareholder confidence.”

Controller Westly suggests that the special committee have the authority and funding necessary to hire outside counsel and consultants. He asks that the committee evaluate whether Wal-Mart’s internal controls are sufficient to ensure compliance with its own policies and procedures.

Controller Westly is a trustee of CalPERS and CalSTRS, the first and third largest public pension funds in the United States. CalPERS owns more than 21 million shares of Wal-Mart stock while CalSTRS owns a total of 20.6 million shares of domestic and Mexican Wal-Mart stock.

Wal-Mart top executives have not taken action to resolve its troubles with the company’s legal and regulatory non-compliance issues, despite an internal audit of 128 stores highlighting many of the problems.

Last week, New York City Comptroller William C. Thompson issued a similar challenge to Wal-Mart executives, asking for a final report of findings by December 2005. *Please click on Comptroller Thompson’s link below.*

As an example of the companies on-going problems, just last week the California Fair Employment and Housing Commission fined Wal-Mart \$188,000 in a civil rights case involving an Antioch woman. The commission found that Wal-Mart “willfully and consciously disregarded its obligations as a California employer.”

“California has too much to lose if Wal-Mart continues this apparent self-destructive path,” Controller Westly said. “As a shareholder, I have concerns over the allegations of non-compliance with important federal laws.”

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